

DEBTOR: Pacific WebWorks Inc.

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: _____

Form 2-A
COVER SHEET

For Period Ending 10/31/2016

Accounting Method: ☐ Accrual Basis ☒ Cash Basis

THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check im
<input type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: 11/12/16

Print Name: K. Lancee Bell

Signature: [Signature]

Title: President

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 10/1/2016 to 10/31/2016

CASH RECEIPTS DETAIL

(attach additional sheets as necessary)

Account No:

Date	Payer	Description	Amount
10/14/2016	Liberty International Underwriters	Settlement payment	\$ 328,424.00

Total Cash Receipts \$ 328,424.00 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

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DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 10/1/2016 to 10/31/2016

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No:

Date	Check No.	Payee	Description (Purpose)	Amount
10/17/2016	101	Michell Barlow	Settlement payment	139,692.27
10/19/2016	102	Paychex	payroll fees	81.00
10/19/2016	103	Tanner Purser	Accounting services	1,020.00
10/25/2016	104	US Trustee	Court Fees	650.00
10/4/2016	1028	Tanner Purser	Accounting services	627.98
10/5/2016	auto	Paychex	payroll fees	104.04

Total Cash Disbursements \$ 142,175.29 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-D
PROFIT AND LOSS STATEMENT
For Period 10/1/2016 to 10/31/2016

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$	\$ 35.90
Less: Discounts, Returns and Allowances	()	()
Net Operating Revenue	\$ -	\$ 35.90
Cost of Goods Sold		60.00
Gross Profit	\$ -	\$ (24.10)
Operating Expenses		
Officer Compensation	\$ -	\$ -
Selling, General and Administrative	2,483.02	336,805.23
Rents and Leases	-	-
Depreciation, Depletion and Amortization	-	-
Other (list): <u>Settlement Fees</u>	139,692.27	-
	-	-
Total Operating Expenses	\$ 142,175.29	\$ 336,805.23
Operating Income (Loss)	\$ (142,175.29)	\$ (336,829.33)
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ -	\$ -
Gains (Losses) on Sale of Assets	-	-
Interest Income	-	(1.21)
Interest Expense	-	-
Other Non-Operating Income		(175,000.00)
Net Non-Operating Income or (Expenses)	\$ -	\$ (175,001.21)
Reorganization Expenses		
Legal and Professional Fees	\$ -	\$ -
Other Reorganization Expense	-	-
Total Reorganization Expenses	\$ -	\$ -
Net Income (Loss) Before Income Taxes	\$ (142,175.29)	\$ (161,828.12)
Federal and State Income Tax Expense (Benefit)	-	-
NET INCOME (LOSS)	\$ (142,175.29)	\$ (161,828.12)

(1) Accumulated Totals include all revenue and expenses since the petition date.

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-E
SUPPORTING SCHEDULES

For Period: 10/1/2016 to 10/31/2016

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal \$	0 \$	0 \$	0		Payroll	\$ 0
State	0	0	0		Payroll	0
FICA Tax Withheld	0	0	0		Payroll	0
Employer's FICA Tax	0	0	0		Payroll	0
Unemployment Tax						
Federal	0	0	0			0
State	0	0	0			0
Sales, Use & Excise Taxes	0	0	0			0
Property Taxes	0	0	0			0
Accrued Income Tax:						
Federal	0	0	0			0
State	0	0	0			0
Other:	0	0	0			0
TOTALS	\$ 0	\$ 0	0			\$ 0

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

(2) Taxes are paid from the operating account with each payroll payment to Paychex. Which then remits the appropriate amounts to the taxing authorities

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation		\$		\$
General Liability	Axis Pro- Tech Business Insurance	\$ 1,000,000	8/23/2016	\$ 8/23/2016
Property (Fire, Theft)	The Hartford	\$ 323,700	9/1/2016	\$ 6/30/2016
Vehicle		\$		\$
Other (list):		\$		\$
D&O / E&O	Liberty	\$ 1,000,000	8/23/2016	\$ 8/23/2016

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-E
SUPPORTING SCHEDULES
 For Period: 10/1/2016 to 10/31/2016

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ 0.00	\$ 0.00
30 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 120 days	0.00	0.00
Over 120 days	0.00	0.00
Total Post Petition	<u>0.00</u>	
Pre Petition Amounts	<u>0.00</u>	
Total Accounts Receivable	\$ 0.00	
Less: Bad Debt Reserve	<u>0.00</u>	
Net Accounts Receivable (to Form 2-C)	<u>\$ 0.00</u>	
	Total Post Petition Accounts Payable	<u>\$ 0.00</u>

* Attach a detail listing of accounts receivable and post-petition accounts payable

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel	\$ 0	\$ 0	\$ 0		\$ 0
Counsel for Unsecured Creditors' Committee	0	0	0		0
Trustee's Counsel	0	0	0		0
Accountant	0	0	0		0
Other:	0	0	0		0
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>		\$ <u>0</u>

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-F
QUARTERLY FEE SUMMARY *
For the Month Ended: 10/31/2016

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	2016	\$ 0			
February	2016	563.23			
March	2016	19331.46	325	1025	5/9/2016
			325	1032	5/12/2016
TOTAL 1st Quarter	\$	<u>19,894.69</u> \$	<u>650</u>		
April	2016	39,810.33	325	1034	5/31/2016
May	2016	31,357.71			
June	2016	2,483.02			
TOTAL 2nd Quarter	\$	<u>73,651.06</u> \$	<u>650</u>	1053	8/1/2016
July	2016	18,331.08			
August	2016	25,389.44			
September	2016	56,613.83			
TOTAL 3rd Quarter	\$	<u>100,334.35</u> \$	<u>650</u>	<u>0.00</u>	<u>10/25/2016 0:00</u>
October	2016	142,175.29			
November		0			
December		0			
TOTAL 4th Quarter	\$	<u>0</u> \$			

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999.....	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

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DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

**Form 2-G
NARRATIVE**

For Period: 10/1/2016 to 10/31/2016

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

Wells Fargo Business Choice Checking

Account number: [REDACTED] ■ October 1, 2016 - October 31, 2016 ■ Page 1 of 4

WELLS
FARGO

INTELLIPAY INC
405 E 12450 S STE E
DRAPER UT 84020-7997

Questions?

Available by phone 24 hours a day, 7 days a week:
Telecommunications Relay Services calls accepted

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (119)
P.O. Box 6995
Portland, OR 97228-6995

Your Business and Wells Fargo

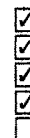
Get a clear look at the business financing process to decide if and when business credit is right for you. Visit wellsfargoworks.com/credit to find out more.

Credit decisions subject to credit qualification.

Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking
Online Statements
Business Bill Pay
Business Spending Report
Overdraft Protection



Activity summary

Beginning balance on 10/1	\$8,066.05
Deposits/Credits	28,752.88
Withdrawals/Debits	- 267.79
Ending balance on 10/31	\$36,551.14
 Average ledger balance this period	 \$15,096.40

Account number: **760007971**

INTELLIPAY INC

Utah account terms and conditions apply

For Direct Deposit use

Routing Number (RTN): 124002971

For Wire Transfers use

Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo store.

Account number: [REDACTED] ■ October 1, 2016 - October 31, 2016 ■ Page 2 of 4



Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
10/3		Modern Payments Deposit 160930 M010D1627426062 Intellipay	166.60		8,232.65
10/4		Authnet Gateway Billing 92354916 Intellipay Inc.	12.00		
10/4		Modern Payments Deposit 161003 M010D1627726062 Intellipay	18.65		
10/4		Authnet Gateway Billing 92354904 Intellipay Inc.	944.48		9,207.78
10/5		Modern Payments Deposit 161004 M010D1627826062 Intellipay	491.49		9,699.27
10/11		Modern Payments Deposit 161007 M010D1628126062 Intellipay	1,418.12		
10/11		Online Dep Detail & Images - Bob		3.00	11,114.39
10/12		Modern Payments Deposit 161011 M010D1628526062 Intellipay	23.00		
10/12		F D R Fees160930 160930 20538 Nt Inte Intellipay Inc		264.79	10,872.60
10/13		Modern Payments Deposit 161012 M010D1628626062 Intellipay	409.80		11,282.40
10/17		Modern Payments Deposit 161014 M010D1628826062 Intellipay	10.00		11,292.40
10/18		Modern Payments Deposit 161017 M010D1629126062 Intellipay	258.50		11,550.90
10/19		Modern Payments Deposit 161018 M010D1629226062 Intellipay	50.00		11,600.90
10/20		Modern Payments Deposit 161019 M010D1629326062 Intellipay	35.85		11,636.75
10/21		Modern Payments Deposit 161020 M010D1629426062 Intellipay	671.91		
10/21		Merche-Soluti081 Cash Disb 161021 Intellipay Inc	774.77		13,083.43
10/24		Modern Payments Deposit 161021 M010D1629526062 Intellipay	320.96		13,404.39
10/25		Modern Payments Deposit 161024 M010D1629826062 Intellipay	456.69		13,861.08
10/26		Modern Payments Deposit 161025 M010D1629926062 Intellipay	161.80		14,022.88
10/27		Modern Payments Deposit 161026 M010D1630026062 Intellipay	893.29		
10/27		Nxgen 8668639977 Payment Info for Nxgen Rep0000037141	371.41		
10/27		eDeposit IN Branch/Store 10/27/16 12:54:53 Pm 322 E 12300 S Draper UT 7971	21,157.01		36,444.59
10/28		Modern Payments Deposit 161027 M010D1630126062 Intellipay	51.55		36,496.14
10/31		Modern Payments Deposit 161028 M010D1630226062 Intellipay	55.00		36,551.14
Ending balance on 10/31					36,551.14
Totals			\$28,752.88	\$267.79	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, please see the Wells Fargo Fee and Information Schedule and Account Agreement applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq to find answers to common questions about the monthly service fee on your account.

Fee period 10/01/2016 - 10/31/2016	Standard monthly service fee \$0.00	You paid \$0.00
WXW5		

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	7,500	0	0.0030	0.00
Transactions	30	200	0	0.50	0.00
Total service charges					\$0.00

7:45 PM

11/01/16

PWEB

Reconciliation Detail

1050 · Wells Fargo 1622, Period Ending 10/31/2016

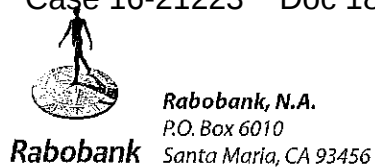
Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						92,595.26
Cleared Transactions						
Checks and Payments - 3 items						
Transfer	10/31/2016			X	-91,863.24	-91,863.24
Check	10/31/2016			X	-627.98	-92,491.22
Check	10/31/2016			X	-104.04	-92,595.26
Total Checks and Payments					-92,595.26	-92,595.26
Total Cleared Transactions					-92,595.26	-92,595.26
Cleared Balance					-92,595.26	0.00
Register Balance as of 10/31/2016					-92,595.26	0.00
Ending Balance					-92,595.26	0.00

7:48 PM

11/01/16

PWEB
Reconciliation Detail
Rabobank, Period Ending 10/31/2016

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						0.00
Cleared Transactions						
Checks and Payments - 4 items						
Check	10/31/2016		Mitchell barlow	X	-139,692.27	-139,692.27
Check	10/31/2016			X	-1,020.00	-140,712.27
Check	10/31/2016		Us Trustee	X	-650.00	-141,362.27
Check	10/31/2016			X	-81.00	-141,443.27
Total Checks and Payments					-141,443.27	-141,443.27
Deposits and Credits - 2 items						
Transfer	10/31/2016			X	91,863.24	91,863.24
Transfer	10/31/2016			X	328,424.00	420,287.24
Total Deposits and Credits					420,287.24	420,287.24
Total Cleared Transactions					278,843.97	278,843.97
Cleared Balance					278,843.97	278,843.97
Register Balance as of 10/31/2016					278,843.97	278,843.97
Ending Balance					278,843.97	278,843.97



Period Covered:
October 01, 2016 - October 31, 2016
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Gil A. Miller
215 South State Street, Suite 550
Salt Lake City UT 84111

Case Number: 16-21223
Case Name: Pacific WebWorks, Inc
Trustee Number: 0000640150
Trustee Name: Gil A. Miller

Questions
(800) 634-7734, ext. 8
bmsbankingcenter@bms7.com
www.bmsadvantage.com

Consolidated Balance Summary

Account	Number	Maturity Date	Ending Balance Prior Period	Ending Balance This Period
Checking Account				
TRUSTEE CHECKING	5007838266		\$0.00	\$279,574.97
Total			\$0.00	\$279,574.97

Notable Information For You...

Business cases - please remember the following for Tax Identification Numbers (TINS) and W-9 Forms:

- 1) Each case may have only one TIN. If the business already has an existing TIN it must be utilized.
- 2) New TINs for business cases can only be obtained through the IRS (not Rabobank). To obtain a TIN online, go to <https://www.irs.gov> and type TIN in the search box.
- 3) When opening a new bank account, enter the TIN and sign the required W-9 form generated from the BMS software immediately afterward.



**Rabobank**

Rabobank, N.A.
P.O. Box 6010
Santa Maria, CA 93456

Period Covered:
October 01, 2016 - October 31, 2016
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Gil A. Miller
215 South State Street, Suite 550
Salt Lake City UT 84111

Case Number: 16-21223
Case Name: Pacific WebWorks, Inc
Trustee Number: 0000640150
Trustee Name: Gil A. Miller

Questions
(800) 634-7734, ext. 8
bmsbankingcenter@bms7.com
www.bmsadvantage.com

Trustee Checking

Account number	5007838266	Beginning balance	\$0.00
Enclosures	4	Total additions	\$420,287.24
Avg collected balance	\$233,016.00	Total subtractions	\$140,712.27
		Ending balance	\$279,574.97

CHECKS

Number	Date	Amount	Number	Date	Amount
101	10-19	139,692.27	103 *	10-24	1,020.00

*Skip in check sequence

CREDITS

Date	Description	Additions
10-14	DEPOSIT 100001	91,863.24
10-17	DEPOSIT 100002	328,424.00

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
10-14	91,863.24	10-19	280,594.97		
10-17	420,287.24	10-24	279,574.97		





Rabobank

Rabobank, N.A.
P.O. Box 6010
Santa Maria, CA 93456

THIS CHECK IS VOID WITHOUT A BLUE AND GREEN BACKGROUND AND A TRUE WATERMARK - HOLD AT AN ANGLE TO VIEW

Rabobank, N.A.
16 E Thousand Oaks Blvd, Ste 300, Thousand Oaks, CA 91320
Phone: (805) 455-5111 for Rabobank Specialty Deposits

101
30-3716/1222

VOID AFTER 90 DAYS

GH Miller
215 South State Street
Suite 550
Salt Lake City UT 84111

Pay to the order of
Pacific WebWorks, Inc (16-21223) (UT) PHONE (801) 428-1400 3007838266
Remittance Agreement - Pacific WebWorks

Date 10/19/2016
\$ *****139,692.27

---One Hundred Thirty-Nine Thousand Six Hundred Ninety-Two Dollars and 27/100

Pay to the order of
Minchell Barlow
9 Exchange Place, #600
Salt Lake City, UT 84111

GH Miller

⑈00000101⑈ ⑆122237159⑆5007838266⑈

10/19/2016 101 \$139,692.27

For Deposit Only - JPMC

10/19/2016 101 \$139,692.27

THIS CHECK IS VOID WITHOUT A BLUE AND GREEN BACKGROUND AND A TRUE WATERMARK - HOLD AT AN ANGLE TO VIEW

Rabobank, N.A.
16 E Thousand Oaks Blvd, Ste 300, Thousand Oaks, CA 91320
Phone: (805) 455-5111 for Rabobank Specialty Deposits

103
30-3719/1022

VOID AFTER 90 DAYS

GH Miller
215 South State Street
Suite 550
Salt Lake City UT 84111

Pay to the order of
Pacific WebWorks, Inc (16-21223) (UT) PHONE (801) 428-1400 3007838266
Remittance Agreement - Pacific WebWorks

Date 10/19/2016
\$ *****1,020.00

---One Thousand Twenty Dollars and 00/100

Pay to the order of
Tanner Foster
11255 Antelope Drive
Meridian UT 84456

GH Miller

⑈00000103⑈ ⑆122237159⑆5007838266⑈

10/24/2016 103 \$1,020.00

For Deposit Only - JPMC

10/24/2016 103 \$1,020.00

